

## Chapter 6 “The On Demand Business Value Proposition” Quiz

1. Growth can only be achieved through:
  - a. **Differentiation and competitive advantage**
  - b. Cost reduction and differentiation
  - c. Competitive advantage and productivity gains
  - d. Productivity gains and differentiation
2. Which one of these statements is true:
  - a. Companies don't try to match expenses to revenues.
  - b. **On Demand Business makes the transition from continuous improvement to continuous innovation.**
  - c. In On Demand Business, partners are never added or deleted on a global basis, as demand changes, and with minimal costs or risk to business continuity.
  - d. On Demand Business only has the power to improve efficiency.
3. What can happen if a company is late to a new market or with a new product?  
**Lost market share**  
**Substantial competitive advantage**  
**Inability to set standards**
4. Companies that have a high level of On Demand Business maturity have:
  - a. High level of pay, high employee turnover, revenue-per-employee that is lower than the industry average
  - b. High employee turnover, high level of pay, revenue-per-employee that is higher than the industry average
  - c. Revenue-per-employee that is higher than the industry average, low level of pay, low employee turnover
  - d. **Low employee turnover, high level of pay, revenue-per-employee that is higher than the industry average**
5. **True/False**  
Business contingency is both a threat and an opportunity for companies.
6. **True/False (They outsource non-differentiating components of their businesses. This allows them to focus their human capital on true value adding activities.)**  
On demand companies do not look towards outsourcing any component of their business.